

USC Form 481 - Case Annual Reporting Data Collection Form		US Form 481 OMB Control No. 2550-0047/OMB Control No. 3060-0019
<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Christopher Ulmer
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	culmer@icorellc.com
Form Type		54.313 and 54.422

<b>(100) Service Quality Improvement Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	170197
<015> Study Area Name	PENNSYLVANIA TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6105283953 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmar@corellc.com

<110> Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
If your answer to Line <110> is yes, do you have an existing § 54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

170197PA112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets	Yes
<114> Report how much universal service (USF) support was received	Yes
<115> How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116> How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117> How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118> Provide an explanation of network improvement targets not met in the prior calendar year.	Yes

<039>	Contact Email Address - Email Address of person identified in data line <030>	culmers@corello.com
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**No**

<220>      <a>      <b1>      <b2>      <b3>      <b4>      <c1>      <c2>      <d>      <e>      <f>      <g>      <h>

[illegible]

(300) Unfulfilled Service Request Data Collection Form	FCC Form 481 OMB Control No. 3060-0998/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	170197
<015> Study Area Name	PENNSYLVANIA TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109263903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmers@corellc.com
<300> Unfulfilled service request (voice)	<div>0</div>
<310> Detail on attempts (voice)	<div>Name of Attached Document</div>
<320> Unfulfilled service request (broadband)	<div>0</div>
<330> Detail on attempts (broadband)	<div>Name of Attached Document</div>

(400) Number of Complaints per 1,000 customers Data Collection Form	FCC Form 481 OMB Control No. 3060-0036/OMB Control No. 3060-0619 July 2012
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<010>	Study Area Code	170187
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109287903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

**(800) Compliance With Service Quality Standards and Consumer Protection Rules  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0589/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109262903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorelle.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
		170197PA510.pdf
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	

(600) Functionality in Emergency Situations Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0815 JULY 2013
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<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL. CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Umer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109267803 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cumer@icorelle.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	170197PA610.pdf

<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Umar
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cumar@icorelle.com
<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

REDACTED - FOR PUBLIC INSPECTION



<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@picorellc.com

[illegible]

<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer21c@corellc.com
<810>	Reporting Carrier	Pennsylvania Telephone Company
<811>	Holding Company	Not Applicable
<812>	Operating Company	pennsylvania Telephone Company

[illegible]

<b>(900) Tribal Lands Reporting</b> <b>Data Collection Form</b>		EEO Form 413 OMB Control No. 3060-9996/OMB Control No. 3060-9996 July 2013
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<D10> Study Area Code	170197
<D15> Study Area Name	PENNSYLVANIA TEL CO
<D20> Program Year	2017
<D30> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<D35> Contact Telephone Number - Number of person identified in data line <D30>	6109283903 ext.
<D39> Contact Email Address - Email Address of person identified in data line <D30>	culmer@icorellc.com

<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) Includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1000) Voice and Broadband Service Rate Comparability  
Data Collection Form**

 FCC Form 487  
 OMB Control No. 3050-9946 / OMB Control No. 3050-0419  
 July 2013

<010>	Study Area Code	170197
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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@corellec.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 170197PA1010.pdf

\_\_\_\_\_  
Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance

\_\_\_\_\_  
Name of Attached Document

(1100) No Terrestrial Backhaul Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0286/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109263903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@corello.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<b>(1200) Terms and Condition for Lifeline Customers</b>		FOI Form 481
<b>Lifeline</b>		OMB Control No. 3060-0086/OMB Control No. 3060-0019
<b>Data Collection Form</b>		July 2013

<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@coorellc.com

170197PA1210.pdf

&lt;1210&gt; Terms &amp; Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

&lt;1220&gt; Link to Public Website

HTTP [www.ovalinternet.com](http://www.ovalinternet.com)

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

**(2000) Price Cap Carrier Additional Documentation****Data Collection Form**

Including Rates of Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3004-982/ OMB Control No. 3151-0018

July 2013

<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmar
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmar@corellc.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

- <2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support
- <2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support
- <2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.
- <2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2024A> Round 2 Recipient of Incremental Support?
- <2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2025A> Round 1 or Round 2 Recipient of Incremental Support?
- <2025B> Attach geocoded information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing  
Required Information

Name of Attached Document Listing  
Required Information

(2000) Price Cap Carrier Additional Documentation (Continued) Data Collection Form Including Rates of Return Carriers Affiliated with Price Cap Local Exchange Carriers	FCC Form 470 OMB Control No. 3001-0046/OMB Control No. 3001-0013 July 2013
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**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

<2016> Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing  
Required Information

<2018> cap carrier used for capital expenditures in 2015.  
Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing  
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)



<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	
(3010A)	Milestone Certification (47 CFR § 54.313(f)(1)(i))	No - Attach Explanation 170197FA3010b.pdf
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3012A)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))	No - No New Community Anchors
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))	<input checked="" type="radio"/> Yes <input checked="" type="radio"/> No
(3014)	If yes, does your company file the RUS annual report	(Yes/No) <input checked="" type="radio"/> Yes <input checked="" type="radio"/> No
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No) <input type="radio"/> Yes <input checked="" type="radio"/> No
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:		
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.	<input type="checkbox"/>
If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:		
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input checked="" type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant	<input checked="" type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.	<input checked="" type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input checked="" type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information 170197FA3026.pdf

<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person, USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	<a href="mailto:culmer@corellc.com">culmer@corellc.com</a>

### (3034) Dividends

REDACTED - FOR PUBLIC INSPECTION

<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Olney
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109243963 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culner@corello.com

#### 4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

#### Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

#### Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information \_\_\_\_\_

#### Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information \_\_\_\_\_

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information \_\_\_\_\_

**Certification - Reporting Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0386/OMB Control No. 3060-0319  
 July 2015

<010>	Study Area Code	170197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext. .
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

<b>Certification - Agent / Carrier Data Collection Form</b>		FCC Form 481 OMB Control No. 3050-0965/OMB Control No. 3050-0819 July 2013
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<010> Study Area Code	170197
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<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>ICORE Consulting, LLC</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	ICORE Consulting, LLC
Name of Reporting Carrier:	PENNSYLVANIA TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE
Printed name of Authorized Officer:	Mary Davis
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	5707457101 ext.
Study Area Code of Reporting Carrier:	170197
Filing Due Date for this form:	07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	PENNSYLVANIA TEL CO
Name of Authorized Agent Firm:	ICORE Consulting, LLC
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE
Name of Authorized Agent Employee:	Christopher Ulmer
Title or position of Authorized Agent or Employee of Agent:	Manager
Telephone number of Authorized Agent or Employee of Agent:	6109283903 ext.
Study Area Code of Reporting Carrier:	170197
Filing Due Date for this form:	07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

7000 Price Offerings, including Voice Rate Data  
Data Collection Form  
FCC Form 481  
OMB Control No. 3045-0096/OMB Control No. 3050-0010  
July 2013

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-081  
JULY 2013

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

<703>

[illegible]

FCC Form 481  
OMB Control No. 3060-0936/OMB Control No. 3060-0819  
JUN 2013

<010>	Study Area Code	176197
<015>	Study Area Name	PENNSYLVANIA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

&lt;711:

[illegible]



# SUPPLEMENTAL DATA & RESPONSES



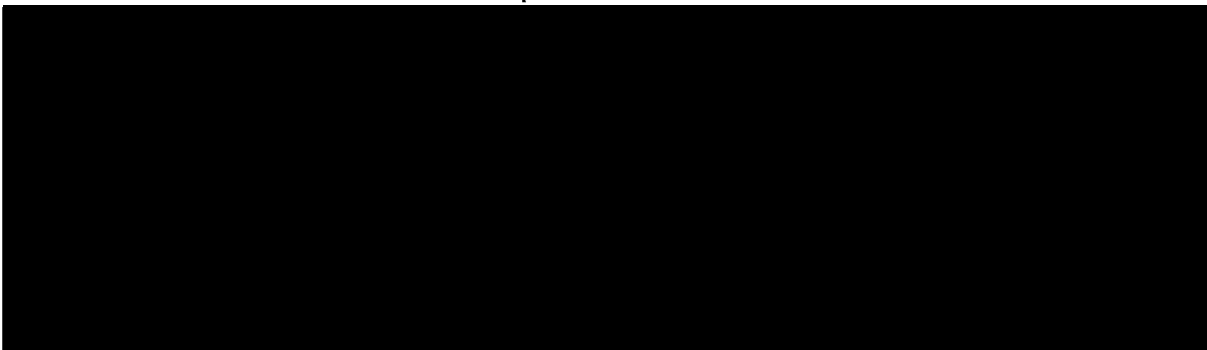
**PENNSYLVANIA TELEPHONE COMPANY  
FIVE YEAR SERVICE IMPROVEMENT PLAN  
JULY 1, 2016 PROGRESS REPORTS**

**EXECUTIVE SUMMARY**

On July 1, 2014, Pennsylvania Telephone Company ("PA Tel" or "the Company") submitted a five year service improvement plan as required by 47 C.F.R. §54.202(a). PA Tel operates a single exchange in northeastern Ohio. Consistent with 47 C.F.R. §54.313(a)(1), the Company now submits this progress report which reflects activities through April 2015.

At the time the five year service improvement plan was submitted, broadband service was defined as a service with speed of 4 Mbps downstream and 1 Mbps upstream. The FCC's action to change the definition to 10 Mbps downstream and 1 Mbps upstream upon reasonable request was not reflected in the initial plan. This report provides an assessment of the Company's achievements to date in network investment to target the new, higher download speed requirement.

**UNIVERSAL SERVICE SUPPORT / INVESTED**



**SERVICE CERTIFICATION**

As set forth in 47 C.F.R. § 54.313(f)(1)(i), the Company hereby certifies that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1Mbps upstream. This service offers latency suitable for real-time applications, including

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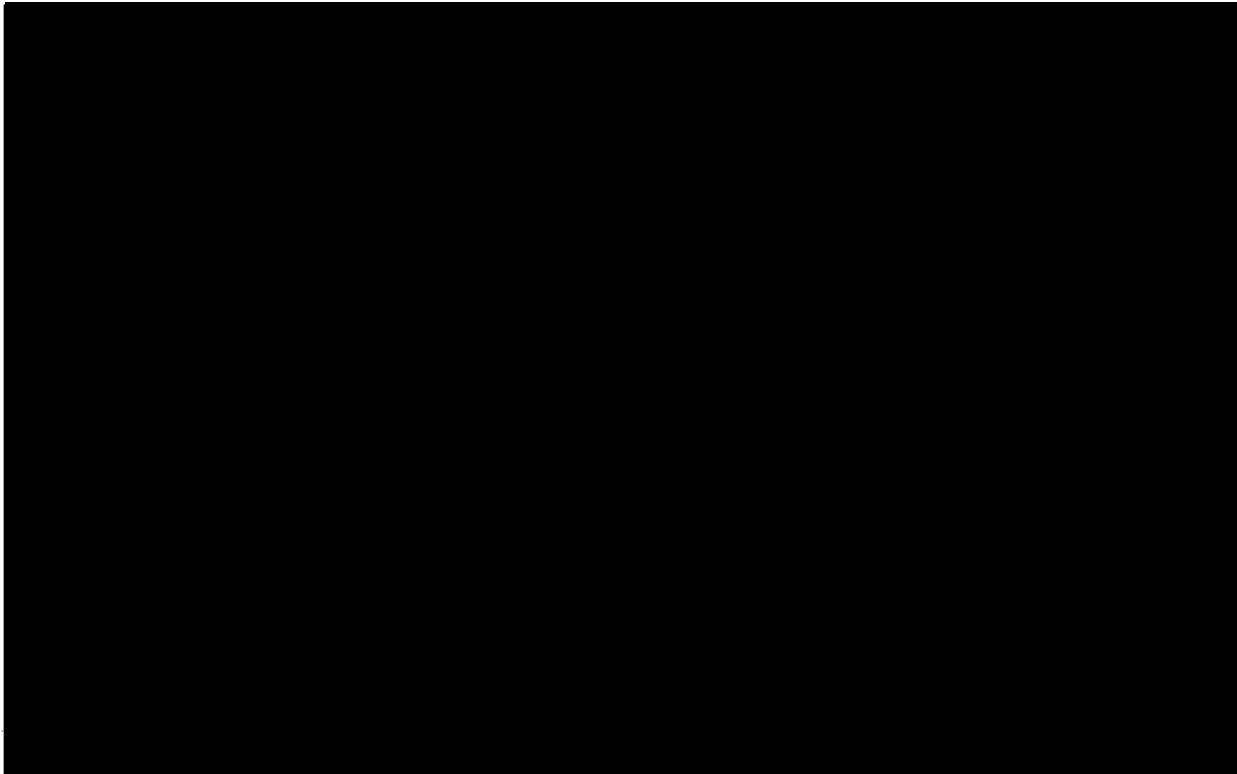
<sup>1</sup> Allocation in compliance with reporting requirement addressing how federal USF was used by the Company per 47 C.F.R. § 54.313(A)(1).

Voice over Internet Protocol. Usage capacity is reasonably comparable to comparable offerings in urban areas and that requests for such service are met within a reasonable amount of time.

### **SERVICE PROGRESS - EXCHANGE MAP**

Funds received from the universal service support mechanisms, in combination with all other revenue streams will allow the Company to maintain and upgrade the existing broadband network. In the July 1, 2014 five-year plan, the level of 4/1 broadband availability within PA Tel was identified as 100%. The Company estimates that about 94% of its customers have access to broadband at the new 10 Mbps / 1 Mbps broadband speeds. The map below shows the Pennsylvania Telephone Company study area exchange boundaries within which illustrate that coverage.

The red line delineates the study area boundary. All customers located within the area defined by the blue line currently have access to 10/1 broadband.



#### **RATES AND RATE STABILITY**

New customers are provided rate information at the time they order service. The rate information is prepared based on tariffs which are on file with the state public utility commission and available for inspection at our office. In addition rates are available on the company website. Notices of rate changes proposed by the Company are communicated to the customers through a bill notice or other comparable means. The Company complies with all state and federal rules applicable to rate changes.

#### **PROVIDE SPECIFIC DISCLOSURES IN ADVERTISING**

In advertising of prices for service plans the Company will disclose material charges and conditions related to the advertised prices and services. This notice will provide the potential customer with , including if applicable and to the extent the advertising medium reasonably allows: (1) whether nonrecurring installation charges would apply; (2) the monthly fee associated with the service; (3) whether any additional taxes, fees or surcharges apply; (3) the terms and conditions related to receiving a product or service for "free;" and (4) whether prices or benefits apply only for a limited time or promotional period and, if so, whether any different fees or charges will apply for the remainder of the contract term.

#### **TRUTH-IN-BILLING**

The Company has long maintained compliance with the FCC's Truth-in-Billing rules as set forth in 47 CFR 64.2401. In part, this requires the Company's telephone bill must: (1) be accompanied by a brief, clear, non-misleading plain language description of the service or services rendered; (2) identify the service provider associated with each charge; (3) clearly and conspicuously identify any change in

Company	Pennsylvania Telephone Company
Study Area Code	170197
Supplemental Data For:	Line 510 – Service Quality Standards and Consumer Protection Rules Compliance

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service provider; (4) contain full and non-misleading descriptions of charges; (5) identify those charges for which failure to pay will not result in disconnection of the customer's basic local service; and (6) provide a toll free number for customers to call in order to lodge a complaint or obtain information.

Customers' bills will distinguish (1) monthly charges for service and features, and other charges collected and retained by the carrier, from (2) taxes, fees and other charges collected by the carrier and remitted to federal state or local governments. The Company will not label cost recovery fees or charges as taxes.

#### **PROVIDE READY ACCESS TO CUSTOMER SERVICE**

Customers and potential customers may access customer service by visiting the Company's office or by using a toll-free telephone number during normal business hours. Customer service contact information is available at our business office with regular hours posted on the storefront. In addition, this information is available online and on the monthly invoice rendered by the company.

#### **ABIDE BY POLICIES FOR PROTECTION OF CUSTOMER PRIVACY**

The Company complies with all state and federal rules regarding the privacy of customer information. Certification of this compliance is provided annually to the FCC.

#### **RESPONSE TO CONSUMER INQUIRIES AND COMPLAINTS RECEIVED FROM GOVERNMENT AGENCIES**

The Company will respond in writing to state or federal administrative agencies within 30 days of receiving written consumer complaints from any such agency. Should the agency require a shorter interval for response, the Company will use its best efforts to expedite the review of the complaint to provide a response which meets the agency-provided target date.

Company	Pennsylvania Telephone Company
Study Area Code	170197
Supplemental Data For:	Line 510 – Service Quality Standards and Consumer Protection Rules Compliance

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#### **TERMINATION OF SERVICE**

The Company follows the state public utility commission's rules for termination of service.

Service cannot be terminated without advance notice to the customer. If service is being terminated for non-payment, the customer will have the option to establish a payment plan. So long as the customer adheres to the payment plan, service will not be disconnected.

Customers may terminate service at any time and for any reason. The Company does not assess any termination penalty and the customer is simply required to pay for the services which were used while the service was provided.





As an initial point, the Company had no service outages during 2015 which met the FCC's threshold for reporting into the Network Outage Reporting System ("NORS").

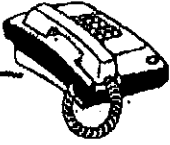
The Company engages in preventative maintenance programs which help ensure network reliability in all conditions. This includes regular checks on generators, battery back-up, HVAC infrastructure at central office switches, and tree trimming/removal when trees have the potential to take down telephone lines during events of high wind or heavy snow. Access to critical infrastructure (like central office switches) is limited to essential personnel. Spare equipment is maintained in inventory.

Like most local exchange carriers, the Company's network consists of electronic switching equipment and a network of fiber optics and copper facilities. From a switching standpoint, the Company has one primary switch and smaller switches which are fed by the primary switch. These smaller switches are often referred to as intraexchange remote switches or concentrators. The largest threat to switches is the loss of power. To address this, the Company ensures adequate battery back-up is maintained. For emergency situations which extend beyond the useful life of the battery back-up, the Company uses generators to power the switches. These generators are portable which ensures they can be relocated to any switching center based on the specific needs of each switch. In addition, the Company's office will serve as a Command and Control center. This center is included as a primary location to which continuous power is required.

In cases of emergency, the Company's management has contact information for all employees. Depending upon the scope of the emergency, the Company may call-in as many employees as necessary to provide continual telecommunications service. The Company has access to local and regional construction companies which can be called in to supplement the work force if necessary. When poles are down from emergencies, the Company works with other utilities attached to the same poles to expedite the repair or replacement of the infrastructure.

In summation, the Company takes preventative measures to plan for emergency situations and also takes steps to mitigate the risk or duration of such events.





# Pennsylvania Telephone Company

191 Middle Road • Jersey Shore, PA 17740 • (570) 745-7101 • FAX (570) 745-3666

June 7, 2016

I, Mary E. Davis, hereby certify that Pennsylvania Telephone Company pricing of voice services is no more than two standard deviations above the applicable national average urban rate for voice services as specified in the most recent public notice issued by the Wireline Commission Bureau.

Sincerely

Mary E. Davis  
Vice President

REDACTED - FOR PUBLIC INSPECTION

Pennsylvania Telephone  
Company

Section 3  
Fourth Revised Sheet 11  
Cancels Third Revised Sheet 11

## LIFELINE SERVICE

### A. DESCRIPTION

Lifeline Service is a federally funded program established to provide monthly assistance to residential low income households who qualify for this service in accordance with the following Regulations.

### B. REGULATIONS

1. Lifeline Service is available to qualified residence customers and is provided via a residence individual Dial Tone Line. Lifeline Service is limited to only one Service per qualified customer or household (a household is defined as "any individual or group of individuals who are living together as one economic unit" an economic unit is "all adult individuals contributing to and sharing in the income and expenses of a household"). A potential Lifeline customer who has an outstanding final bill for telephone service which is less than (4) years old must pay the entire balance of any Basic Service final bill before being eligible for Lifeline Service. (C)
2. Residence Lifeline Service consists of the following tariffed standard features and optional customer elected services at the applicable rates, charges and regulations for each feature and service provided:
  - a. One-Party Residence Line Rate or Local Measured Service Option
  - b. Directory Listing (standard only).
  - c. Non-Published or Non-Listed Telephone Number Service.
  - d. Access to Directory Assistance Service.
  - e. Touch-Tone Calling Service.
  - f. Access to Message Toll Telephone Service and Optional Dial Station-To-Station Calling Plan Services. However, the Residence Lifeline Dial Tone Line will be blocked from dial station access to 976/556/900 and any other type of Audiotex Service.
  - g. Access to Operator Services.
  - h. Voluntary Toll Restriction Option.
  - i. Access to 800/888 Services.
  - j. Access to Call Trace.
  - k. Access to Alerting and Reporting Systems (9-1-1 dialing).
  - l. Access to the Pennsylvania Telecommunications Relay Service.
  - m. Caller ID Per-call and Per-line Blocking
  - n. Other eligible telecommunications services at tariffed rates.

(C) Indicates Change

Issued: June 29, 2012

Effective: August 1, 2012

Pennsylvania Telephone  
Company

Section 3  
Fifth Revised Sheet 12  
Cancels Fourth Revised Sheet 12

# LIFELINE SERVICE

## B. REGULATIONS (cont.)

3. An applicant for Lifeline Service must be a current participant in one of the following Pennsylvania programs, or be able to provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines for all States (except Alaska and Hawaii) and the District of Columbia. Recertification of Lifeline Service participants must be conducted annually by the Pennsylvania Telephone Company to ensure continued eligibility. Lifeline customers have the responsibility to notify the Telephone Company within thirty (30) days of a change in eligibility status if they no longer qualify for Lifeline Service.

### Pennsylvania Department of Public Welfare Lifeline Service Programs:

- \* Temporary Assistance for Needy Families (TANF)
- \* \* \*
- \* Supplemental Security Income (SSI)
- \* Medicaid
- \* Supplemental Nutrition Assistance Program (SNAP) (f/k/a Food Stamps)
- \* Low Income Home Energy Assistance Program (LIHEAP)

(C)

### Additional Eligible Programs (Federal)

- \* Federal Public Housing
- \* National School Free Lunch Program

The DPW Programs listed above must be certified by DPW. Such certification by DPW will be provided only when a DPW client requests Lifeline Service based on the client's status as a participant in any of the above eligibility programs. Certification by DPW will be limited to confirmation of the client's program status (i.e., participation or non-participation). Participation by DPW is subject to execution of an agreement with DPW and Pennsylvania Telephone Company.

4. Lifeline Service will be provided to a customer only so long as such customer continues to meet the participation and certification guidelines in B.3. above. At the time of initial establishment of Lifeline Service, the customer agrees to have his or her eligibility recertified annually by Pennsylvania Telephone Company. When the Company is notified by the customer or determines through recertification that the Lifeline Service customer is no longer a participant in the DPW programs in B.3. above or otherwise low-income eligible, the customer will be notified (by telephone or letter) that the Lifeline Service rate is no longer applicable. Within the stated customer notification period (30 days from the date of the notification), the customer can contact the Company to negotiate new Dial Tone Service arrangements at applicable tariff rates (no connection charges will apply for existing services or options retained). If the customer does not contact the Company by the end of the notification period, the Lifeline Service will be changed to applicable Exchange Area Dial Tone Line service at existing tariff rates (no connection charges will apply to existing services or options retained).

(C) Indicates Change

Issued: November 16, 2012

Effective: November 17, 2012

Pennsylvania Telephone  
Company

Section 3  
Second Revised Sheet 13  
Cancels First Revised Sheet 13

LIFELINE SERVICE

B. REGULATIONS (cont'd)

5. A Lifeline Service customer may not subscribe to any other type of residence Local Exchange Service at the same or other premises. Lifeline Service will not be provided via Foreign Exchange or Foreign Central Office Service arrangements.
6. Only services listed in B (2) above will be provided to Lifeline customers.
- \*\*\*\*\*
7. Customer requested temporary suspension of Lifeline Service is not permitted.
8. Lifeline Service does not apply to applicants who are full time students living in university or college controlled housing.
9. The applicant must not be a dependent for Federal Income Tax purposes, unless he or she is 60 years of age or older.
10. Lifeline customers are subject to all Residence service regulations in this and other tariffs of Pennsylvania Telephone Company.
11. Residence Lifeline Service cannot be resold by the Lifeline customer or the Lifeline customer's agent(s).
12. Resale of Lifeline Services are subject to wholesale rate obligations under Section 251 (c)(4) of the Telecommunications Act of 1996.
13. All outstanding charges, account balances and service restrictions apply to existing customers who qualify for Lifeline Service. Service restrictions will remain until the arrearage(s) have been paid in full.
14. Any Lifeline customer who has a past due balance of Toll Charges will be treated with the appropriate Chapter 64 regulations. The Residence Toll Restoral Charge applies to Lifeline Customers who are suspended for non-payment and who subsequently pay their outstanding toll charges and request toll restoral. If a Lifeline customer is toll restricted for a second occurrence the Company may, at its discretion, place the Lifeline customer on permanent toll restriction.
15. Toll-Blocking and Toll-Control services will be provided at no charge to Lifeline Service subscribers, to the extent that they are offered.

(C) Indicates Change

Issued: March 30, 2012

Effective: April 2, 2012

Pennsylvania Telephone  
Company

Section 3  
Third Revised Sheet 14  
Cancels Second Revised Sheet 14

LIFELINE SERVICE

C. LIFELINE SERVICE DIAL TONE LINE MONTHLY RATE

1. Applicable Residence Dial Tone monthly rate minus \$9.25 <sup>(I)</sup>. (I)
- \* \* \* (C)
2. Lifeline Service is subject to all applicable state, local and federal taxes, and Surcharges, and to all applicable tariff rates, charges, surcharges and regulations. (C)

NOTE:

- <sup>(1)</sup> See FCC Public Notice released May 1, 2012, In re: *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket Nos. 11-42 et al., CC Docket No. 96-45, FCC 12-11 (rel. Feb. 6, 2012). (C)

(I) Indicates Increase  
(C) Indicates Change

Issued: June 29, 2012

Effective: August 1, 2012



Company	Pennsylvania Telephone Company
Study Area Code	170197
Supplemental Data For:	Line 3010b – 5 Year Plan Milestone Certification

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This certification is embedded within the 5 year plan update that has been filed.



DRAFT

# **Pennsylvania Telephone Company**

Financial Statements

December 31, 2015 and 2014

*We are providing this draft financial statement in an electronic format under the condition that it not be modified, or distributed to any third-parties.*  
5/25/2016 5:17 PM

# **Pennsylvania Telephone Company**

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December 31, 2015 and 2014

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Statement of Retained Earnings	5
Statement of Cash Flows	6
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DRAFT

## **Independent Accountants' Review Report**

Board of Directors  
Pennsylvania Telephone Company

We have reviewed the accompanying financial statements of Pennsylvania Telephone Company, which comprise the balance sheet as of December 31, 2015 and 2014, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Wyomissing, Pennsylvania  
Date of Report

# Pennsylvania Telephone Company

Balance Sheet

December 31, 2015 and 2014

	2015	2014
<b>Assets</b>		
<b>Current Assets</b>		
Cash		
Accounts receivable:		
Customers		
Other		
Materials and supplies inventory, at average cost		
Prepaid taxes		
Other current assets		
Total current assets		
<b>Other Assets</b>		
Notes receivable, related parties		
Nonregulated, plant, net		
Total other assets		
<b>Telephone Plant, at Cost</b>		
In service		
Accumulated depreciation		
Total telephone plant, net		
Total assets		

See notes to financial statements

# **Pennsylvania Telephone Company**

Balance Sheet

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable		
Customers' deposits		
Other accrued liabilities		
Total current liabilities		
<b>Deferred Income Taxes</b>		
Total liabilities		
<b>Stockholders' Equity</b>		
Common stock, par value [REDACTED] per share; authorized [REDACTED] shares; issued and outstanding [REDACTED] shares		
Retained earnings		
Total stockholders' equity		
Total liabilities and stockholders' equity		

*See notes to financial statements*

# **Pennsylvania Telephone Company**

## **Statement of Income**

Years Ended December 31, 2015 and 2014

	<b>2015</b>	<b>2014</b>
<b>Operating Revenues</b>		
Local service		
Access service		
Toll service		
Miscellaneous		
Uncollectible		
Total operating revenues, net		
<b>Operating Expenses</b>		
Plant specific		
Plant nonspecific:		
Depreciation		
Other		
Customer operations		
Corporate operations		
Operating taxes other than income		
Income taxes		
Total operating expenses		
Operating income		
<b>Other Income, Including Income Tax Expense</b>		
of ██████████ in 2015 and 2014, Respectively		
Net income		

*See notes to financial statements*



# **Pennsylvania Telephone Company**

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## **Statement of Retained Earnings**

**Years Ended December 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>Retained Earnings, Beginning</b>		
Net income		
<b>Retained Earnings, Ending</b>		

*See notes to financial statements*

# **Pennsylvania Telephone Company**

## **Statement of Cash Flows**

**Years Ended December 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>Cash Flows from Operating Activities</b>		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		
Deferred income taxes		
(Increase) decrease in assets:		
Accounts receivable		
Materials and supply inventory		
Prepaid taxes		
Other current assets		
Increase (decrease) in liabilities:		
Accounts payable and customer deposits		
Other accrued liabilities		
Net cash provided by operating activities		
<b>Cash Flows from Investing Activities</b>		
Purchase of plant		
Net cash used in investing activities		
Net increase in cash and cash equivalents		
<b>Cash and Cash Equivalents, Beginning</b>		
<b>Cash and Cash Equivalents, Ending</b>		
<b>Supplementary Cash Flows Information</b>		
Income taxes paid		

*See notes to financial statements*

# **Pennsylvania Telephone Company**

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Notes to Financial Statements  
December 31, 2015 and 2014

## **1. Nature of Business**

The Company is an independent regulated telephone utility providing communication services in parts of Lycoming and Clinton Counties, Pennsylvania.

## **2. Significant Accounting Policies**

### **Accounting and Rate Regulation**

The Company maintains its books of account in accordance with the revised Uniform Systems of Accounts for Telephone Companies as prescribed by the Federal Communications Commission and is subject to the accounting principles of and rate regulation by the Pennsylvania Public Utility Commission.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Cash**

Cash includes cash on hand, demand deposits and money market accounts.

At various times during the year, the Company maintains cash balances in a financial institution in excess of the federally insured limit of \$250,000.

### **Accounts Receivable**

Accounts receivable are stated at amounts that management considers fully collectible, accordingly, no allowance for doubtful accounts is considered necessary. Accounts are charged to bad debt expense when deemed uncollectible based upon a periodic review of individual accounts. Recoveries of previously charged off accounts are credited to income when received.

### **Plant and Depreciation**

Plant is recorded at cost. Normal renewals and betterments of units of property are charged to plant accounts, while ordinary repairs and replacements of items considered to be less than units of property are charged to plant specific expenses. The cost of plant retired, plus removal costs, less salvage is charged to accumulated depreciation. Accordingly, no gain or loss is recognized in connection with ordinary retirements.

## **Pennsylvania Telephone Company**

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Notes to Financial Statements  
December 31, 2015 and 2014

Depreciation is computed by the straight-line method. Rates used for calculating depreciation are based on the economic useful lives of the assets. The effective composite depreciation rate for 2015 and 2014 was [REDACTED] in each year.

### **Income Taxes**

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The taxable temporary differences giving rise to deferred tax liabilities are related to utility plant.

### **Presentation of Sales Taxes**

The Company collects sales tax from customers and remits the entire amount to the applicable taxing authority. The Company's accounting policy is to exclude the tax collected and remitted from revenues and operating expenses.

### **Subsequent Events**

The Company has evaluated subsequent events through **Date of Report**, which is the date the financial statements were available to be issued.

### **3. Notes Receivable, Related Parties**

The Company has notes receivable from Caylor Associates Limited Partnership and King Street Suites, LLC of [REDACTED] respectively. The notes are due January 1, 2039 with annual interest payments at [REDACTED] at December 31, 2015 and 2014. Interest income was [REDACTED] for both of the years ended December 31, 2015 and 2014.

The Company's Chairman of the Board and minority stockholder are partners of Caylor Associates Limited Partnership. The chairman is a stockholder in King Street Suites, LLC.

## Pennsylvania Telephone Company

Notes to Financial Statements

December 31, 2015 and 2014

### 4. Telephone Plant

Telephone plant is stated substantially at original cost. Management is of the opinion that any adjustments that might be required to record properties at original cost would not be material. Listed below are the classes of the telephone plant as of December 31, 2015 and 2014:

	Depreciation Rate	2015	2014
Telephone plant:			
Land			
Motor vehicles			
Other work equipment			
Buildings			
Furniture			
Office equipment			
Company communications equipment			
General purpose computers			
Central office equipment			
Poles			
Aerial cable			
Underground cable			
Buried cable			
Aerial wire			
Other			
Accumulated depreciation			
Nonregulated plant			
Accumulated depreciation			
Total			

## Pennsylvania Telephone Company

Notes to Financial Statements  
December 31, 2015 and 2014

### 5. Income Tax Matters

The provision for income tax expense (benefit) for the years ended December 31, 2015 and 2014 consists of the following:

	<u>2015</u>	<u>2014</u>
Federal:		
Current tax expense		
Deferred tax benefit		
State:		
Current tax expense		
Deferred tax benefit		

The provision for income taxes is reflected in the accompanying statement of income as follows:

	<u>2015</u>	<u>2014</u>
Operating expenses		
Other income		